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1 (7) OTHER CHARGES AND FEES TO ACQUIRE OWNERSHIP. The dollar amount, both
2 itemized and in total, of all taxes, liability damage waiver fees, fees for optional
3 services, processing fees, application fees, and delivery charges that the lessee would
4 incur if the lessee were to rent the rental property until the lessee acquires
5 ownership, assuming that the lessee does not add or decline the liability damage
6 waiver or optional services after signing the rental–purchase agreement.

7 (8) TOTAL PAYMENTS TO ACQUIRE OWNERSHIP. The total of all charges required to
8 be paid by the lessee to acquire ownership of the rental property, which shall consist
9 of the total dollar amount of all rental payments disclosed under sub. (3), and the
10 total dollar amount of all other charges and fees disclosed under sub. (7), along with
11 a statement that this is the amount a lessee will pay to acquire ownership of the
12 rental property if the tax rates do not change and if the lessee does not add or decline
13 the liability damage waiver or optional services after signing the rental–purchase
14 agreement.

15 (9) OTHER CHARGES. An itemized description of any other charges or fees that
16 the rental–purchase company may charge the lessee that are not otherwise disclosed
17 in the rental–purchase agreement.

18 (10) SUMMARY OF EARLY–PURCHASE OPTION. A statement summarizing the terms
19 of the lessee’s options to acquire ownership of the rental property as provided in s.
20 422.607.

21 (11) RESPONSIBILITY FOR THEFT OR DAMAGE. A statement that, unless otherwise
22 agreed, the lessee is responsible for the fair market value of the rental property,
23 determined according to the early–purchase option formula under sub. (10), if the
24 rental property is stolen, damaged, or destroyed while in the possession of or subject
25 to the control of the lessee. The statement shall indicate that the fair market value

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1 will be determined as of the date on which the rental property is stolen, damaged,
2 or destroyed.

3 (12) SERVICE AND WARRANTY. A statement that during the term of the rental-
4 purchase agreement, the rental-purchase company is required to service the rental
5 property and maintain it in good working condition, as long as no other person has
6 serviced the rental property. In lieu of servicing the rental property, the
7 rental-purchase company may, at its option, replace the rental property. The
8 rental-purchase company's obligation to provide service is limited to defects in the
9 property not caused by improper use or neglect by the lessee or harmful conditions
10 outside the control of the rental-purchase company or manufacturer.

11 (13) TERMINATION AT OPTION OF LESSEE. A statement that the lessee may
12 terminate the agreement at any time without penalty by voluntarily surrendering
13 or returning the rental property in good repair.

14 (14) RIGHT TO REINSTATE. A brief explanation of the lessee's right to reinstate
15 a rental-purchase agreement under s. 422.614.

16 (15) RENTAL, NOT PURCHASE. A statement that the lessee will not own the rental
17 property until the lessee has made all payments necessary to acquire ownership or
18 has exercised the lessee's early-purchase option. The rental-purchase company
19 shall also include a notice reading substantially as follows: "You are renting this
20 property. You will not own the property until you make all payments necessary to
21 acquire ownership or until you exercise your early-purchase option. If you do not
22 make your payments as scheduled or exercise your early-purchase option, the
23 rental-purchase company may repossess the property."

24 (16) INFORMATION ABOUT RENTAL-PURCHASE COMPANY AND LESSEE. The names of
25 the rental-purchase company and the lessee, the rental-purchase company's

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1 business address and telephone number, the lessee's address, and the date on which
2 the rental-purchase agreement is executed.

3 (17) **OPTIONAL SERVICES.** Space for a specific, separately signed, affirmative,
4 written indication of the lessee's desire for any optional service for which a charge
5 is assessed. The lessee's request must be obtained after a written disclosure of the
6 cost of the optional service is made, and the cost and term of such service must be
7 listed at or near the signature space.

8 **422.604 Prohibited provisions of rental-purchase agreements.** (1) A
9 rental-purchase agreement may not contain any of the following:

10 (a) *Confession.* A confession of judgment.

11 (b) *Security.* A provision granting the rental-purchase company a security
12 interest in any property, except rental property delivered by the rental-purchase
13 company under the rental-purchase agreement.

14 (c) *Repossession.* A provision authorizing a rental-purchase company, or an
15 agent of the rental-purchase company, to enter the lessee's premises without the
16 lessee's contemporaneous permission, or to commit a breach of the peace in the
17 repossession of rental property provided by the rental-purchase company under the
18 rental-purchase agreement.

19 (d) *Waiver.* A waiver of a defense or counterclaim, a waiver of any right to assert
20 any claim that the lessee may have against the rental-purchase company or an agent
21 of the rental-purchase company, or a waiver of any provision of chs. 421 to 427
22 relating to rental-purchase agreements.

23 (e) *Overpayment.* A provision requiring rental payments totaling more than
24 the total dollar amount of all rental payments necessary to acquire ownership, as
25 disclosed in the rental-purchase agreement.

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1 (f) *Insurance.* A provision requiring the lessee to purchase insurance from the
2 rental–purchase company to insure the rental property.

3 (g) *Attorney fees.* A provision requiring the lessee to pay any attorney fees.

4 (2) A violation of this section is subject to s. 425.305.

5 **422.605 Liability waiver.** A rental–purchase company may offer a liability
6 waiver to the lessee. The terms of the waiver must be provided to the lessee in
7 writing, incorporated into the rental–purchase agreement or on a separate
8 document. The face of the writing shall clearly disclose that the lessee is not required
9 to purchase the waiver. The fee for the waiver may not exceed 10 percent of the rental
10 payment due under the rental–purchase agreement. The lessee shall be entitled to
11 cancel the waiver at the end of any rental term.

12 **422.606 Price and cost limitations.** (1) **LIMITS ON CASH PRICES.** The cash
13 price for rental property may not exceed an amount equal to twice the actual
14 purchase price of the rental property, including any applicable freight charges, paid
15 by the rental–purchase company to a manufacturer or wholesaler.

16 (2) **LIMITS ON COST OF RENTAL SERVICES AND OTHER CHARGES.** The total amount
17 charged by the rental–purchase company for the cost of rental services and all
18 required charges or fees, excluding applicable taxes, in a rental–purchase
19 transaction shall not exceed the cash price of the property.

20 (3) **UNCONSCIONABILITY.** A court may not find that a rental–purchase
21 transaction that complies with this section is unconscionable under s. 425.107 (3) (c).

22 **422.607 Acquisition of ownership.** At any time after the initial rental
23 period, a lessee may acquire ownership of the property that is the subject of the
24 rental–purchase agreement by tendering an amount not to exceed an amount equal
25 to the cash price of the rental property multiplied by a fraction that has as its

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1 numerator the number of periodic rental payments remaining under the
2 rental-purchase agreement and that has as its denominator the total number of
3 periodic rental payments. A rental-purchase company may also require the lessee
4 to pay any accrued unpaid rental payments and fees.

5 **422.608 Receipts and statements.** (1) RECEIPTS. A rental-purchase
6 company shall provide a written receipt to the lessee for any payment made by the
7 lessee in cash or, upon the request of the lessee, for any other type of payment.

8 (2) STATEMENT DUE TO LESSEE. Subject to sub. (4), upon the request of a lessee,
9 a rental-purchase company shall provide a written statement to the lessee showing
10 the lessee's payment history on each rental-purchase agreement between the lessee
11 and the rental-purchase company. A rental-purchase company is not required to
12 provide a statement covering any rental-purchase agreement that was terminated
13 more than one year prior to the date of the lessee's request. A rental-purchase
14 company may provide a single statement covering all rental-purchase agreements
15 or separate statements for each rental-purchase agreement, at the rental-purchase
16 company's option.

17 (3) STATEMENT DUE TO OTHER PARTIES. Subject to sub. (4), upon the written
18 request of a lessee, made during the term of or no later than one year after the
19 termination of a rental-purchase agreement, a rental-purchase company shall
20 provide a written statement to any person the lessee designates, showing the lessee's
21 payment history under the rental-purchase agreement.

22 (4) FEE FOR STATEMENT. A lessee or, if appropriate, a lessee's designee, is entitled
23 to receive one statement under subs. (2) and (3) without charge once every 12
24 months. A rental-purchase company shall provide an additional statement if the

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1 lessee pays the rental-purchase company's reasonable costs of preparing and
2 furnishing the statement.

3 **422.609 Advertising disclosure required.** If an advertisement for a
4 rental-purchase agreement refers to or states the amount of a payment for a specific
5 item of property, the advertisement shall also clearly and conspicuously state all of
6 the following:

7 (1) That the transaction advertised is a rental-purchase agreement.

8 (2) The total number and total dollar amount of all rental payments necessary
9 to acquire ownership of the property.

10 (3) That the lessee does not acquire ownership of the property if the lessee fails
11 to make all rental payments or other payments necessary to acquire ownership of the
12 property.

13 **422.610 Price cards displayed.** (1) PRICE CARDS GENERALLY. Except as
14 provided in sub. (2), a card or tag that clearly and conspicuously states all of the
15 following shall be displayed on or next to any property displayed or offered by a
16 rental-purchase company for rent under a rental-purchase agreement:

17 (a) The cash price that a lessee would pay to purchase the property.

18 (b) The amount and timing of the rental payments.

19 (c) The total number and total amount of all rental payments necessary to
20 acquire ownership of the property under a rental-purchase agreement.

21 (d) The cost of rental services under a rental-purchase agreement.

22 (e) Whether the property is new or used.

23 (2) EXCEPTIONS. If property is offered for rent under a rental-purchase
24 agreement through a catalog, or if the size of the property is such that displaying a
25 card or tag on or next to the property would be impractical, a rental-purchase

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1 company may make the disclosures required under sub. (1) in a catalog or list, if the
2 catalog or list is readily available to prospective lessees.

3 **422.611 Authorized referral transactions.** Notwithstanding any other
4 provision in chs. 421 to 427, after entering into a rental-purchase agreement, a
5 rental-purchase company may give or offer to give a rebate or discount to a lessee
6 under the rental-purchase agreement in consideration of the lessee's giving to the
7 rental-purchase company the names of prospective lessees. A rebate or discount
8 under this section may be contingent upon the occurrence of any event that takes
9 place after the time that the names are given to the rental-purchase company.

10 **422.612 Termination of rental-purchase agreement.** The termination
11 date of a rental-purchase agreement is the earlier of the following:

12 (1) The day specified in the rental-purchase agreement as the day on which
13 the rental term ends.

14 (2) The date on which the lessee voluntarily surrenders the rental property.

15 **422.613 Late payment, grace period, and late fees.** (1) LATE FEE
16 GENERALLY. If a lessee fails to make any payment when due under a rental-purchase
17 agreement or if, at the end of any rental term, the lessee fails to return the rental
18 property or to renew the rental-purchase agreement for an additional term, the
19 rental-purchase company may require the lessee to pay a late fee. Except as
20 provided in sub. (4), this subsection does not apply if the lessee's failure to return
21 rental property or failure to renew the rental-purchase agreement at the end of the
22 rental term is due to the lessee's exercise of an early-purchase option under the
23 rental-purchase agreement or is due to the lessee's making all payments necessary
24 to acquire ownership of the rental property.

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1 (2) GRACE PERIODS. The following grace periods shall apply to rental payments
2 made with respect to a rental–purchase agreement:

3 (a) For an agreement that is renewed on a weekly basis, no late fee may be
4 assessed for a payment that is made within 2 days after the date on which the
5 scheduled payment is due.

6 (b) For an agreement that is renewed for a term that is longer than one week,
7 no late fee may be assessed for a payment that is made within 7 days after the date
8 on which the scheduled payment is due.

9 (3) COLLECTION, APPLICATION, AND LIMITATION OF LATE FEES. Late fees are subject
10 to all of the following:

11 (a) A late fee may not exceed \$5 for each past–due rental payment.

12 (b) A late fee may be collected only once on each rental payment due, regardless
13 of how long the payment remains past due.

14 (c) Payments received shall be applied first to the payment of any rent that is
15 due and then to late fees and any other charges.

16 (d) A late fee may be collected at the time that the late fee accrues or at any time
17 afterward.

18 (4) EFFECT OF OUTSTANDING LATE FEE ON TRANSFER OF OWNERSHIP. A
19 rental–purchase company may require payment of any outstanding late fees before
20 transferring ownership of rental property to a lessee.

21 **422.614 Reinstatement of terminated rental–purchase agreement. (1)**
22 REINSTATEMENT GENERALLY. A lessee may reinstate a terminated rental–purchase
23 agreement without losing any rights or options previously acquired if all of the
24 following apply:

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1 (a) The lessee returned or surrendered the rental property within 7 days after
2 the termination of the rental-purchase agreement.

3 (b) Not more than 60 days have passed after the date on which the rental
4 property was returned to the rental-purchase company or, if the lessee has paid
5 two-thirds or more of the total number of rental payments necessary to acquire
6 ownership of the rental property, not more than 120 days have passed since the date
7 on which the rental property was returned to the rental-purchase company.

8 (2) AUTHORIZED CONDITIONS ON REINSTATEMENT. As a condition of reinstatement
9 under this section, the rental-purchase company may require the payment of all
10 past-due rental charges, any applicable late fees, a reinstatement fee not to exceed
11 \$5, and the rental payment for the next term.

12 (3) EFFECT OF REPOSSESSION ON REINSTATEMENT. Subject to s. 422.616, nothing
13 in this section prohibits a rental-purchase company from attempting to repossess
14 rental property upon termination of a rental-purchase agreement, but such efforts
15 do not affect the lessee's right to reinstate as long as the rental property is
16 repossessed, voluntarily returned, or surrendered within 7 days after the
17 termination of the rental-purchase agreement.

18 (4) PROPERTY AVAILABLE UPON REINSTATEMENT. Upon reinstatement, the
19 rental-purchase company shall provide the lessee with the same rental property, if
20 the property is available and is in the same condition as when it was returned to the
21 rental-purchase company, or with substitute property of comparable quality and
22 condition.

23 **422.615 Default and right to cure.** (1) DEFAULT GENERALLY. A lessee is in
24 default under a rental-purchase agreement if any of the following applies:

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1 (a) The lessee fails to return rental property within 7 days after the date on
2 which the last rental term for which a rental payment was made expires, unless the
3 lessee has exercised an early-purchase option or has made all rental payments
4 necessary to acquire ownership of the rental property.

5 (b) The lessee breaches any other provision of the rental-purchase agreement
6 and such breach materially impairs the condition, value, or protection of the rental
7 property.

8 **(2) DEFAULT; NECESSARY FOR LESSEE LIABILITY.** No cause of action shall accrue
9 against a lessee with respect to the lessee's obligations under a rental-purchase
10 agreement except upon default and the expiration of any applicable period of time
11 allowed for cure of the default.

12 **(3) NOTICE OF DEFAULT; GENERAL REQUIREMENT.** Except as provided in sub. (4),
13 as a condition precedent to bringing an action against a lessee arising out of the
14 lessee's default, a rental-purchase company shall provide a written notice of the
15 default and of the right to cure the default to the lessee. The notice shall specify the
16 default and shall inform the lessee that the lessee may cure the default by tendering
17 an amount equal to all unpaid and due rental payments, fees, and taxes, and the next
18 periodic rental payment, within 15 days after the notice is given. The act of curing
19 a default restores to the lessee the lessee's rights under the agreement as though no
20 default had occurred.

21 **(4) NOTICE OF DEFAULT; EXCEPTION.** A rental-purchase company is not required
22 to provide a notice of default and right to cure as a condition precedent to bringing
23 an action against a lessee if the lessee breaches the agreement and if each of the
24 following occurred twice during the 12 months before the date of the current default
25 with respect to the same rental-purchase agreement:

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1 (a) The lessee was in default.

2 (b) The rental–purchase company gave the lessee written notice of the default
3 and of the lessee’s right to cure under sub. (3).

4 (c) The lessee cured the default.

5 **422.616 Surrender and repossession.** (1) REQUEST FOR VOLUNTARY
6 SURRENDER OF PROPERTY. A rental–purchase company may request the voluntary
7 return or surrender of rental property prior to the declaration of a default and the
8 sending of written notice of default and right to cure under s. 422.615. A request
9 under this subsection is subject to sub. (2) and s. 427.104.

10 (2) DIRECT CONTACT FOR PURPOSES OF REPOSSESSION. (a) In this subsection,
11 “reasonable effort” means any of the following:

12 1. Provided written notice, by certified mail, to the last–known address of the
13 lessee.

14 2. Engaged in a telephone conversation with the lessee.

15 3. Attempted at least once on each of 2 consecutive days occurring after the
16 most recent rental payment due date to engage in a telephone conversation with the
17 lessee. Each attempt shall be made to the last–known telephone number at the
18 lessee’s address. If the rental–purchase company attempts to engage in such a
19 telephone conversation and discovers that the telephone number is disconnected, the
20 rental–purchase company need only have made the initial attempt to engage in a
21 telephone conversation with the lessee.

22 (b) 1. Except as provided in subd. 2., no rental–purchase company may take or
23 attempt to take possession of rental property under a rental–purchase agreement by
24 any means other than the legal process specified in s. 422.615 or by return or
25 voluntary surrender of the rental property by the lessee until at least 48 hours have

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1 lapsed after the rental–purchase company has made a reasonable effort to contact
2 the lessee and request the return or voluntary surrender of the rental property.

3 2. If the rental–purchase company has attempted to engage in a telephone
4 conversation with the lessee and the telephone number at the lessee’s address has
5 been disconnected, the 48–hour requirement under subd. 1. does not apply.

6 (c) The rental–purchase company shall maintain all necessary records to verify
7 compliance with this subsection.

8 **SECTION 19.** 423.201 (2) of the statutes is amended to read:

9 423.201 (2) “Consumer approval transaction” does not include a catalog sale
10 that is not accompanied by any other solicitation or, a consumer loan conducted and
11 consummated entirely by mail, or a rental–purchase agreement.

12 **SECTION 20.** 423.301 of the statutes is amended to read:

13 **423.301 False, misleading, or deceptive advertising.** No merchant shall
14 advertise, print, display, publish, distribute, or broadcast or cause to be advertised,
15 printed, displayed, published, distributed, or broadcast, in any manner any
16 statement or representation with regard to ~~the extension of a~~ consumer credit
17 transaction or rental–purchase agreement including the rates, terms, or conditions
18 for the ~~extension of such credit~~ transaction or agreement, which is false, misleading,
19 or deceptive, or which omits to state material information with respect to the
20 ~~extension of credit~~ transaction or agreement that is necessary to make the
21 statements therein not false, misleading, or deceptive. With respect to matters
22 specifically governed by the federal consumer credit protection act, compliance with
23 such act satisfies the requirements of this section.

24 **SECTION 21.** 423.302 of the statutes is amended to read:

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1 **423.302 Remedies and penalty.** In addition to any other remedy provided
2 by law, a customer who has been induced to consummate a consumer credit
3 transaction or rental-purchase agreement as a result of advertising in violation of
4 s. 423.301 shall be entitled to a recovery from the merchant in accordance with s.
5 425.305.

6 **SECTION 22.** 423.401 (1) of the statutes is amended to read:

7 423.401 (1) LIMITATION. Except as provided in sub. (2), a merchant may not
8 record a customer's address, telephone number or any other identification
9 information as a condition for accepting a credit card as payment for a consumer
10 credit transaction or rental-purchase agreement.

11 **SECTION 23.** 425.102 of the statutes is amended to read:

12 **425.102 Scope.** This subchapter applies to actions or other proceedings
13 brought by a creditor to enforce rights arising from consumer credit transactions and
14 to extortionate extensions of credit under s. 425.108. Section 425.107 also applies
15 to rental-purchase agreements.

16 **SECTION 24.** 425.107 (1) of the statutes is amended to read:

17 425.107 (1) With respect to a consumer credit transaction or rental-purchase
18 agreement, if the court as a matter of law finds that any aspect of the transaction or
19 agreement, any conduct directed against the customer by a party to the transaction
20 or agreement, or any result of the transaction or agreement is unconscionable, the
21 court shall, in addition to the remedy and penalty authorized in sub. (5), either refuse
22 to enforce the transaction or agreement against the customer, or so limit the
23 application of any unconscionable aspect or conduct to avoid any unconscionable
24 result.

25 **SECTION 25.** 425.107 (3) (intro.) of the statutes is amended to read:

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1 425.107 (3) (intro.) Without limiting the scope of sub. (1), the court may
2 consider, among other things, any of the following as pertinent to the issue of
3 unconscionability:

4 **SECTION 26.** 425.107 (3) (a) of the statutes is amended to read:

5 425.107 (3) (a) That the practice unfairly takes advantage of the lack of
6 knowledge, ability, experience or capacity of customers;

7 **SECTION 27.** 425.107 (3) (b) of the statutes is amended to read:

8 425.107 (3) (b) That those engaging in the practice know of the inability of
9 customers to receive benefits properly anticipated from the goods or services
10 involved;

11 **SECTION 28.** 425.107 (3) (c) of the statutes is amended to read:

12 425.107 (3) (c) That Except as provided in s. 422.606 (3), that there exists a
13 gross disparity between the price of goods or services and their value as measured
14 by the price at which similar goods or services are readily obtainable by other
15 customers, or by other tests of true value;

16 **SECTION 29.** 425.107 (3) (d) of the statutes is amended to read:

17 425.107 (3) (d) That the practice may enable merchants to take advantage of
18 the inability of customers reasonably to protect their interests by reason of physical
19 or mental infirmities, illiteracy or inability to understand the language of the
20 agreement, ignorance or lack of education or similar factors;

21 **SECTION 30.** 425.107 (3) (e) of the statutes is amended to read:

22 425.107 (3) (e) That the terms of the transaction or agreement require
23 customers to waive legal rights;

24 **SECTION 31.** 425.107 (3) (f) of the statutes is amended to read:

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1 425.107 (3) (f) That the terms of the transaction or agreement require
2 customers to unreasonably jeopardize money or property beyond the money or
3 property immediately at issue in the transaction; or agreement.

4 **SECTION 32.** 425.107 (3) (g) of the statutes is amended to read:

5 425.107 (3) (g) That the natural effect of the practice would reasonably cause
6 or aid in causing customers to misunderstand the true nature of the transaction or
7 agreement or their rights and duties thereunder;.

8 **SECTION 33.** 425.107 (3) (h) of the statutes is amended to read:

9 425.107 (3) (h) That the writing purporting to evidence the obligation of the
10 customer in the transaction or agreement contains terms or provisions or authorizes
11 practices prohibited by law; ~~and~~.

12 **SECTION 34.** 425.107 (5) of the statutes is amended to read:

13 425.107 (5) In addition to the protections afforded in sub. (1), the customer
14 shall be entitled upon a finding of unconscionability to recover from the ~~creditor~~
15 merchant or the person responsible for the unconscionable conduct a remedy and
16 penalty in accordance with s. 425.303.

17 **SECTION 35.** 425.301 (1) of the statutes is amended to read:

18 425.301 (1) The remedies provided by this subchapter shall be liberally
19 administered to the end that the customer as the aggrieved party shall be put in at
20 least as good a position as if the ~~creditor~~ merchant had fully complied with chs. 421
21 to 427. Recoveries under chs. 421 to 427 shall not in themselves preclude the award
22 of punitive damages in appropriate cases.

23 **SECTION 36.** 425.312 of the statutes is created to read:

24 **425.312 Rental-purchase companies.** (1) A rental-purchase company that
25 violates any provision of chs. 421 to 427 relating to rental-purchase agreements is

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1 liable to a lessee that is damaged as a result of that violation for the costs of the action
2 and, notwithstanding s. 814.04 (1), for reasonable attorney fees as determined by the
3 court, plus an amount equal to the sum of the following:

4 (a) The actual damages, including any incidental and consequential damages,
5 the lessee sustains as a result of the violation.

6 (b) An amount equal to 25 percent of the total amount of periodic rental
7 payments necessary to acquire ownership of the rental property under the lessee's
8 rental-purchase agreement, except that liability under this paragraph may not be
9 less than \$100 nor more than \$1,000.

10 (2) This section applies to all violations regarding rental-purchase agreements
11 for which no other remedy is specifically provided.

12 **SECTION 37.** 426.102 (1) of the statutes is amended to read:

13 426.102 (1) Make or solicit consumer approval transactions (s. 423.201) or,
14 consumer credit transactions, or rental-purchase agreements, or modifications
15 thereof.

16 **SECTION 38.** 426.108 (intro.) of the statutes is amended to read:

17 **426.108 Unconscionable conduct.** (intro.) The administrator shall
18 promulgate rules declaring specific conduct in consumer credit transactions and
19 rental-purchase agreements and the collection of debts arising from ~~consumer credit~~
20 such transactions and agreements to be unconscionable and prohibiting the use of
21 those unconscionable acts. In promulgating rules under this section, the
22 administrator shall consider, among other things, all of the following:

23 **SECTION 39.** 426.108 (5) of the statutes is amended to read:

24 426.108 (5) That the terms of the transaction or agreement require customers
25 to waive legal rights.

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1 **SECTION 40.** 426.108 (6) of the statutes is amended to read:

2 426.108 (6) That the terms of the transaction or agreement require customers
3 to unreasonably jeopardize money or property beyond the money or property
4 immediately at issue in the transaction.

5 **SECTION 41.** 426.108 (7) of the statutes is amended to read:

6 426.108 (7) That the natural effect of the practice is to cause or aid in causing
7 customers to misunderstand the true nature of the transaction or agreement or their
8 rights and duties under the transaction or agreement.

9 **SECTION 42.** 426.108 (8) of the statutes is amended to read:

10 426.108 (8) That the writing purporting to evidence the obligation of the
11 customers in the transaction or agreement contains terms or provisions or
12 authorizes practices prohibited by law.

13 **SECTION 43.** 426.110 (2) (intro.) of the statutes is amended to read:

14 426.110 (2) (intro.) Actions may be maintained under this section against any
15 person who in making, soliciting or enforcing consumer credit transactions or
16 rental-purchase agreements engages in any of the following kinds of conduct:

17 **SECTION 44.** 426.110 (2) (a) of the statutes is amended to read:

18 426.110 (2) (a) Making or enforcing unconscionable terms or provisions of
19 consumer credit transactions; or rental-purchase agreements.

20 **SECTION 45.** 426.110 (2) (b) of the statutes is amended to read:

21 426.110 (2) (b) False, misleading, deceptive, or unconscionable conduct in
22 inducing customers to enter into consumer credit transactions; or rental-purchase
23 agreements.

24 **SECTION 46.** 426.110 (2) (c) of the statutes is amended to read:

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1 426.110 (2) (c) False, misleading, deceptive, or unconscionable conduct in
2 enforcing debts or security interests arising from consumer credit transactions or
3 rental-purchase agreements.

4 **SECTION 47.** 426.110 (14) of the statutes is amended to read:

5 426.110 (14) A merchant shall not be liable in a class action for specific
6 penalties under s. 425.302 (1) (a), 425.303 (1), 425.304 (1), 425.305 (1), 425.312 (1)
7 (b), or 429.301 (1) for which it would be liable in individual actions by reason of
8 violations of chs. 421 to 427 and 429 or of conduct prescribed in sub. (2) unless it is
9 shown by a preponderance of the evidence that the violation was a willful and
10 knowing violation of chs. 421 to 427 and 429. No recovery in an action under this
11 subsection may exceed \$100,000, except that in an action involving a
12 rental-purchase agreement, no recovery may exceed \$500,000.

13 **SECTION 48.** 426.201 (1) (a) of the statutes is amended to read:

14 426.201 (1) (a) Make or solicit consumer credit transactions or rental-purchase
15 agreements, except a person who engages in consumer credit transactions solely
16 through honoring credit cards issued by 3rd parties not related to such person.

17 **SECTION 49.** 426.201 (2m) (b) 3. of the statutes is created to read:

18 426.201 (2m) (b) 3. This paragraph does not apply to a rental-purchase
19 company.

20 **SECTION 50.** 426.202 (1m) (c) of the statutes is amended to read:

21 426.202 (1m) (c) *Amount of registration fee.* The amount of the registration fee
22 shall be determined in accordance with rates set by the administrator. In setting
23 these rates, the administrator shall consider the costs of administering chs. 421 to
24 427 and 429, including the costs of enforcement, education and seeking voluntary
25 compliance with chs. 421 to 427 and 429. The For consumer credit transactions, the

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1 registration fee for a person shall be based on the person's year-end balance for the
2 reporting period.

3 **SECTION 51.** 427.102 of the statutes is amended to read:

4 **427.102 Scope.** This chapter applies to conduct and practices in connection
5 with the collection of obligations arising from consumer transactions, including
6 transactions that are primarily for an agricultural purpose, and to transactions in
7 connection with rental-purchase agreements.

8 **SECTION 52. Initial applicability.**

9 (1) This act first applies to rental-purchase agreements, and conduct pursuant
10 to those agreements, that are entered into on the effective date of this subsection.

11 **SECTION 53. Effective date.**

12 (1) This act takes effect on the 90th day after publication.

13 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2483/1dn

MDK.....
WJ

Rep. Stone:

This is a companion bill to LRB-0288/5. ✓

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2483/1dn
MDK:wlj:rs

July 22, 2005

Rep. Stone:

This is a companion bill to LRB-0288/5.

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

Emery, Lynn

From: Dake, Marsha
Sent: Friday, July 22, 2005 8:55 AM
To: LRB.Legal
Subject: Draft review: LRB 05-2483/1 Topic: Regulation of rental-purchase agreements under Wisconsin Consumer Act

It has been requested by <Dake, Marsha> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-2483/1 Topic: Regulation of rental-purchase agreements under Wisconsin Consumer Act